

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

9 9 - 0 0 6

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

March 1, 1999

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.201(b)

7. FEDERAL BUDGET IMPACT:

a. FFY 1999 \$ N/A  
b. FFY 2000 \$ N/A

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, pp. 24b, 24c, and 33.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, pp. 24b and 33.

10. SUBJECT OF AMENDMENT:

Establishes process for distribution of DSH & GME funds when hospitals merge.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

James K. Haveman, Jr.

14. TITLE:

Director

15. DATE SUBMITTED:

4-5-99

16. RETURN TO:

Michigan Department of Community Health  
Medical Services Administration  
P.O. Box 30479  
Lansing, MI 48909-7979

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

6/8/99

18. DATE APPROVED:

6/6/01

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

3-1-99

20. SIGNATURE OF REGIONAL OFFICIAL:

*[Signature]*

21. TYPED NAME:

Cheryl A. Harris

22. TITLE: ~~Acting~~ Associate Regional Administrator  
Division of Medicaid and Children's Health

23. REMARKS:

**RECEIVED**

JUN 08 1999

DMIO - MI/MH/99

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State: MICHIGAN

METHODS OF PAYMENT OF REASONABLE COSTS -  
INPATIENT HOSPITAL SERVICES

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to September 30, 1999, may elect to have the individual hospitals' cost report data for hospital fiscal years ending between October 1, 1996 and September 30, 1997 treated separately for the purpose of calculating the successor hospital's share of the FY 1999 DSH pool. Whether cost report data is treated separately or combined, only a single DSH payment will be made to the successor hospital.

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TN No. 99-06  
Supersedes  
TN No. 98-08

Approval \_\_\_\_\_

Effective Date 4/1/99

per N. Bishop  
mch  
5/18/01

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MICHIGANMETHODS OF PAYMENT OF REASONABLE COSTS -  
INPATIENT HOSPITAL SERVICES

~~including developing new educational infrastructure for a system of training involving managed care arrangements.~~

~~For awards to be made in 1997, it is estimated the Innovations in Health Professions Education Grant Pool will be set at \$10 million. Grants may be awarded up to a total of \$10 million. In the event the full amount of this pool is not awarded, the balance not awarded will be transferred to the primary care pool and distributed no later than June, 1998. Payments from this pool will be made monthly based on submitted expenditure reports to a hospital member of each consortium. The hospital will be responsible to distribute funds to other consortium members and for financial record keeping.~~

4/1/99  
~~3/1/99~~Funds Distribution for Merged Hospitals

Graduate medical education (GME) payments to hospitals that merge during an academic year will be combined provided the successor hospital continues to operate its residency programs at the same level that the individual hospitals operated them prior to the merger. The successor hospital must notify MSA within 30 calendar days after the merger is completed (or within 30 calendar days after the effective date of this bulletin for hospitals that merged prior to this bulletin's effective date for the current academic year) of any reduction to the number of intern and resident full time equivalent (FTE) positions and the termination of any residency programs. The GME payments to the successor hospital will be reduced by pool proportionately (combined post-merger FTEs *divided by* combined pre-merger FTEs *times* the successor hospital's combined GME distribution) to the reduction in the successor hospital's GME programs. Calculations will be done separately for each GME pool the successor hospital is eligible to receive funds. Overpayments to successor hospitals based on reductions in GME programs are subject to recovery.

TN No. 99-06 Approval \_\_\_\_\_ Effective Date 4/1/99  
Supersedes  
TN No. ~~98-33~~ N/A 5/18/01 RWH